

ANNUAL REPORT

MARCH 2000

OFFICE OF PROGRAM PERFORMANCE & EVALUATION

OFFICE OF COMMUNITY DEVELOPMENT

OFFICE OF POLICY & PLANNING

OFFICE OF HOMEOWNERSHIP

OFFICE OF HOMELESSNESS & EMERGENCY SERVICES

ANNUAL REPORT

RHODE ISLAND HOUSING RESOURCES COMMISSION

ANNUAL REPORT FOR JANUARY 1, 1999 TO JANUARY 1, 2000

MISSION

Mission of the Housing Resources Commission

The Rhode Island Housing Resources Commission (the "Commission") is the planning and policy, standards, and programs division of the Rhode Island Housing Resources Agency established by Chapter 128 of Title 42 of the Rhode Island General Laws. Its mission is to provide housing opportunities for all Rhode Islanders, to maintain the quality of housing in Rhode Island, and to coordinate and make effective the housing opportunities of the agencies and subdivisions of the state.

ORGANIZATION

LEGAL AUTHORITY & GOVERNANCE

The Rhode Island Housing Resources Act of 1998 established the Rhode Island Housing Resources Commission to be the planning and policy, standards, and programs division of the Rhode Island Housing Resources Agency. Appointed members had the consent of the Senate and as of February 1999 the Governor's Office had appointed all members. Susan Baxter serves as Chair of the Commission and Joseph Caffey as Vice-Chair. Until recently, work produced by the Commission was the result of volunteer help of the Commission designees and Rhode Island Housing staff. As of January 2000, the Housing Resources Commission has hired four staff persons, to staff each of the five committees. These four Housing Resources Coordinators will manage and implement the aggressive work plan for the year. Through the efforts of the committees, the Commission will look to expand and diversify the Commission's impact on housing needs and to provide effective coordination of housing resources.

The Committees of the Housing Resources Commission are:

Office of Homelessness and Emergency Assistance

Office of Community Development and Technical Assistance

Office of Policy and Planning

Office of Program Performance and Evaluation

Office of Homeownership

COORDINATING COMMITTEE

A Coordinating Committee whose sole purpose is to plan and coordinate staffing, policy and program implementation also governs the Housing Resources Commission and defines its relationship with Rhode Island Housing and Mortgage Finance Corporation. The Committee is comprised of the chairperson and the executive director of the Rhode Island Housing and Mortgage Finance Corporation, and the chair of the Housing Resources Commission and the Director of the Rhode Island Department of Administration. In March 1999, Rhode Island Housing and the Housing Resources Commission framed the foundation of their efforts through a Memorandum of Agreement. This agreement defines the terms of program responsibility and implementation, staff services and the operational relationship between Rhode Island Housing and the Housing Resources Commission.

ANNUAL REPORT FOR YR2000

In accordance with Article 29, Chapter 128 of the Rhode Island Housing Resources Act of 1998, Subpart 42-128-16, the Commission is required to submit an annual report by March 1, 2000 to the governor and general assembly. The first annual report of the newly formed Housing Resources Commission was submitted in April of 1999 as an interim report. This report constitutes the first consolidated report for the HRC since the hire of full time staff.

WORK PLAN 2000

The framework for the year is the established Work Plan 2000 that has prioritized issues and housing matters and assigned responsibility to each HRC office. The work plan and the survey of Commission members with regard to issues are reflections of the Commission's definition of the most pressing housing problems.

From the inception of the Housing Resources Commission its members have been working toward organizing the state's most critical housing issues into a workable plan. The work plan serves as a guide to the Commission and staff to focus research as well as produce, collect and distribute critical housing data. Its second component is to coordinate housing program information and all housing plans to create a central collection. Lastly, the work plan will be the foundation for the beginning of collaboration between non-profit organizations, state agencies and regulatory agencies working in the field of housing.

During the spring of 1999, the HRC conducted a survey of its membership to establish goals and objectives for the coming year. Mr. Robert Leaver of *Organizational Futures, Inc.* organized and devised a questionnaire that would identify and prioritize the State's major housing issues. The survey found that the commission members considered affordability, housing condition and special needs as priority issues. Besides the housing issues the HRC saw other factors influencing housing, such as sustainable housing opportunities, neighborhood revitalization, Smart Growth, homelessness, and equal access to housing choices among others.

Each office of the Commission defined the major housing and community development issues within the Commission's mission and established priorities to be address in FY 2000. A work plan for each office was presented to the full Commission. In June of 1999, the Commission approved the Work Plan for Year 2000 Time Line. (See page 5 for the Housing Resources Commission Work Plan YR 2000.)

HOUSING RESOURCES COMMISSION WORK PLAN YR 2000

12 MONTH TIME – LINE JUNE 1999 – JULY 2000

RESPONSIBLE OFFICE	PROGRAM WORK ITEM	SCHEDULE
(TA)	PHA Housing	June, 1999
(HA)	Housing Locator Service	On-going
(HA)	Access to Services	On-going
(TA)	Construction Financing	September, 1999
(TA)	GAP Financing for Development	September, 1999
(TA)	Financial Institutions/CRA	October, 1999
(HA)	Redefine the HA Committee to Broader Services	October, 1999
(HA)	Identify Funding Sources for Housing and Homelessness	November, 1999
(HA)	New State Resources/Physical Planning & Services	November, 1999
(PP)	Revise and Update Consolidated Plan/Required by HUD	December, 1999
(PP)	Training for all Commissioners	December, 1999
(EP)	Section 8 Preservation	January, 2000
(EP)	Lead Hazard Reduction Program	January, 2000
(HA)	Inventory Supportive Housing Services	January, 2000
(HRC)	Annual Report	March, 2000
(HA)	HUD Super NOFA Continuum Care	May, 2000
(PP)	Information Feeder System amongst Committees	June, 2000
(PP)	Comparative Analysis of Housing Plans	June, 2000
(TA)	Sustainable Housing Choices	June, 2000
(TA)	Evaluate Neighborhood Trends	June, 2000
(EP)	State Rental Assistance Program	August, 2000
HA Office of Homelessness Ser. & Emerg. Asst. TA Office of Community Development & Tech. Asst. PP Office of Policy & Planning EP Office of Program Performance and Evaluation		

OFFICE OF POLICY & PLANNING

STATE HOUSING PLAN REVIEW

The Housing Resources Commission reviewed the draft State Housing Plan (as Element 421 of the State Guide Plan) for consistencies with the already approved *Rhode Island Consolidated Plan, 2000-2005*, and Rhode Island Housing's programs as well as the purposes of the Rhode Island Housing Resources Commission. The Office of Policy and Planning provided recommendations to the State Planning Council for inclusion into the final document.

The State Planning Council held a Public Hearing on February 1, 2000; the HRC gave testimony for the record and requested that their comments be included into the final state-housing plan.

RHODE ISLAND CONSOLIDATED PLAN, 2000-2005

The Rhode Island Consolidated Plan serves as the State's application to the Department of Housing and Urban Development for funding for the Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Shelter Grant Program (ESG) and it serves as a planning document that sets priorities for allocating funding received through these programs throughout Rhode Island.

The HRC, in collaboration with Rhode Island Housing, has lead responsibility for completing the five-year plan and its future implementation. The state's Department of Administration participated and focused on Rhode Island's community development issues for their part in the planning process. Rhode Island Housing coordinated information in preparing the State's housing issues.

A draft of the Consolidated Plan was given to each member of the Housing Resource Commission, for review. Several public hearings were held in different areas of the State in order to include citizen input into the draft plan. On December 13, 1999, the public was invited to comment on the Draft Consolidated Plan within a 30-day comment period. During this comment period, the Office of Policy and Planning held two meetings for the Commission members to review the plan in detail.

COMPARATIVE ANALYSIS OF HOUSING PLANS

Work Plan Year 2000 requires this office to report on the status and quality of each state plan as it affects housing. In addition, an analysis of each municipal's housing element of the comprehensive plan will be compared to the state's housing plan and state consolidated plan. The purpose is to coordinate State plans and integrate local housing plans with the strategy and purposes of the State Housing Plan (Element 421). Review will look for similarities and difference among housing plans regarding policies, gaps, housing standards and conditions, impact to the local housing policy on service, delivery,

and the question of access and barriers to homeownership.

OFFICE OF HOMEOWNERSHIP

The Office of Homeownership is the fifth office created through a partnership with the Federal Reserve Bank of Boston to explore barriers to home buying in Rhode Island. The Rhode Island project will be a joint effort of the Commission and Federal Reserve Bank to produce a model for developing and implementing solutions to barriers in homeownership for minority and low- and moderate-income people. This office began its full operation in the fall of 1999. A work plan to guide this project for year 2000 and beyond will be soon develop.

The Office of Homeownership will examine all areas of homeownership, including but not limited to foreclosure prevention policies and homeowner retention strategies, abusive lending practices, fair lending, and new collaborative lending programs.

On February 15, this Office in cooperation with Rhode Island Housing sponsored the state's first Urban Homeownership Summit held at the Westin Hotel in downtown Providence, attended by 120 participants.

OFFICE OF COMMUNITY DEVELOPMENT/TECHNICAL ASSISTANCE

SUSTAINABLE HOUSING CHOICES

The Community Development Committee will direct research into urban/suburban dynamics in the location of housing and its associated development of needs and services. The Community Development office will gather data for each city and town as a way to examine the existing housing stock, residential mobility, infrastructure, and services.

EVALUATE NEIGHBORHOOD TRENDS

The Office of Community Development will work with various agencies and institutions of higher education to identify what is happening in our neighborhoods. A plan of action will be developed that will identify the ingredients of a healthy neighborhood and coordinate and implement with stakeholders to create a viable neighborhood development strategy.

CONSTRUCTION FINANCING

Identification of barriers to construction financing and the availability of affordable credit will be identified. The role of private and public funds to assist for-profit, non-profit and minority developers will be analyzed and acted upon.

FINANCIAL INSTITUTIONS AND THE COMMUNITY REINVESTMENT ACT (CRA).

Financial institutions and the CRA Performance Reports will be studied together with the impact of mergers, like the Fleet/BankBoston on local housing activities. The office will collect information on lending practices and commitments of credit and funding for

neighborhood development in response to merger activities in Rhode Island. The intent is to develop a policy to make public access to these reports more accessible. The community development investments of other industries, such as credit unions, insurance companies, Community Development Financial Institutions (CDFI) and mortgage corporations will be examined. Documentation of the CRA record of financial institutions and how the CRA can be an effective tool for meeting the credit needs of low and moderate income communities will also be studied.

Because of this HRC initiative, the HRC requested the Federal Reserve to hold a public hearing on the Fleet/BankBoston merger. A hearing was held on July 7, 1999 in Boston.

OFFICE OF HOMELESSNESS SERVICES & EMERGENCY ASSISTANCE

In September 1999, the HRC moved to have the Interagency Council on Homelessness and Affordable Housing, become the Office of Homelessness Services and Emergency Assistance of the Housing Resources Committee. Its responsibility is to maintain a housing locator database and access to services and to prioritize the allocation/spending of the McKinney and HUD Funds. The Office has three working committees, they are: Housing Locator Committee, Permanent Housing Committee, and Service Access Committee, who are charged with specific responsibilities identified in the Commission's Work Plan 2000 for June 1999 – July 2000.

STATEWIDE EMERGENCY BED CRISIS

The Governor's Office, together with the Office of Homelessness Services and Emergency Assistance, responded to the crisis created by the increase in the number of homeless being turned away by emergency shelters because shelters had reached capacity. A \$100,000 state appropriation was approved to fund 30 beds for a 90-day period. An emergency overflow shelter was established as a temporary solution at the Salvation Army on Broad Street. This Office is preparing recommendations to the Commission for submission to the Governor and General Assembly that will address the long-term solutions necessary to reduce homelessness.

PERMANENT HOUSING COMMITTEE

This Committee has been charged with the ongoing responsibility of devising a strategy to implement the Homeless Continuum of Care goals as well as prioritize applications submitted to HUD for funding. The Continuum of Care is a plan to improve housing and services aimed towards meeting the specific needs of homeless persons and includes action steps to end homelessness and prevent a return to homelessness. This plan increases Rhode Island's advantage for receiving competitive Continuum of Care Homeless Assistance Super NOFA funding in addition to leveraging other resources needed to build a comprehensive system addressing homelessness. In 1999, Rhode Island was successful in the national competition for funds receiving a statewide award of 4.4 million dollars for 21 projects.

HOUSING LOCATOR COMMITTEE

Funded in 1997 by federal McKinney funds for housing and supportive services for the homeless, the Housing Locator Committee has created a database of subsidized rental housing as well as privately owned rental units. Thirty-three sites, comprised of emergency shelters, domestic violence shelters and transitional housing programs, have computers available. This system provides a comprehensive search for homeless residents to identify available rental housing. Case managers are given the tools to educate homeless clients in housing searches as well as their responsibilities as tenants. The Housing Locator Committee will continue to monitor and make recommendations for improvements to this computerized database of subsidized and assisted rental units throughout the state. Funding has been renewed through 2003

SERVICE ACCESS COMMITTEE

The Service Access Committee continues to focus its work on researching a comprehensive, statewide Management Information System. The system is necessary for quantitative data as well as for assessment and coordination of services consistent with the mission of the Rhode Island Housing Resources Commission.

OFFICE OF PROGRAM PERFORMANCE & EVALUATION

The Office of Program Performance and Evaluation (PE) is responsible for the monitoring and evaluation of State programs and regulations that affect housing and community development. Program and Evaluation also reports to the governor's office and legislators on an annual basis on the progress of housing programs and makes recommendations for corrective actions.

The Office of Program Performance and Evaluation has identified the following housing issues as areas of importance to the continuing of preservation of affordable and healthy housing stock in Rhode Island. Priority actions are lead hazard reduction program, preservation of Section 8 housing, and the adoption of changes to the Rhode Island Building Rehabilitation Code.

HRC ANNUAL REPORT, JANUARY 1, 1999 TO JANUARY 1, 2000

The Office of Program Performance & Evaluation is responsible for preparing the this Annual Report and its submission for approval before the full Housing Resources Commission. This is the first annual report of the HRC that will include the findings and recommendations of each office, the progress and assessments of the Lead Hazard Abatement Program and a Budget Report for the past year for its program.

LEAD AWARENESS CAMPAIGN

Children in Rhode Island are three times more likely to be lead poisoned than other lead exposed children nationwide. Lead hazards are not limited to the state's core cities. Lead hazards affect suburban and rural areas as well. A public education campaign aimed at property owners, property managers, first-time homeowners and contractors to inform them about health risks associated with lead has begun. As the lead agency,

Rhode Island Housing will provide information about lead abatement finances available through the state to all qualified applicants.

Increased public awareness, education and financial supports are critical to eliminating lead poisoning in the state. These efforts must focus on promoting the concept of healthy homes and building local capacity for continuing efforts. Target audiences for this campaign will include the public, property owners, property managers, contractors and first-time homebuyers. The public awareness campaign will provide helpful information to these targeted populations to inform them about the health risks and financial resources available to them for corrective actions.

CONSTRUCTION TRAINING

Besides bringing the message of the hazards of lead-based paint to Rhode Island communities, training in lead abatement is also part of the program. Funded through the Lead Institute, training will offer construction training as well as lead hazard abatement for successful students. Besides becoming certified in lead inspection, a worker will also be given knowledge about lead safe construction practices, basic construction and the certified lead worker course needed for state licensing. The curriculum, participation criteria and application process have been developed. It is anticipated the program will conduct two classes with ten students in each class. The first class began in January and the Lead Institute of the Rhode Island Resources Commission will underwrite it. The second class will be funded through the HUD grant.

SECTION 8 PRESERVATION

The Department of Housing and Urban Development committed Section 8 project-based assistance to properties in the 1970s and 1980s. These commitments will be expiring in the next 5 to 8 years. This Office will track the preservation efforts in the state to determine any loss of affordable units.

Recent HUD policy changes can seriously affect existing Section 8 units and preservation efforts to keep affordable housings for low to moderate-income families in Rhode Island. Currently, there are 16,581 Section 8 assisted units in Rhode Island financed and/or insured by HUD and RIH. Based on data compiled by National Local Initiative Support Corporation (LISC) and Rhode Island Housing, in the next 5 years, 70 % of project-based Section 8 properties in Rhode Island will expire. HUD policies will give Section 8 property owners the opportunities to opt-out of HUD financed project when the current contract expires. This will affect 11,579 affordable units within the State. RIH anticipates that many of these properties will take advantage of the Preservation Program offered by RIH and HUD's Mark to Market Program. The Mark to Market program will allow owners to restructure financing and rehabilitate properties while reducing federal rent subsidies to market rents.

REHABILITATION CODE

Changes to the existing Rhode Island Building Code are critical in efforts to decrease suburban sprawl, revitalize urban centers, preserve open spaces and resources, and

improve quality of life and economic development in Rhode Island. The Housing Resources Commission, The Rhode Island Building Code Commission, and Grow Smart are supporting legislation to revise and adopt a variation of the New Jersey Rehabilitation Subcode. As a model the New Jersey Subcode provides clearer remedies, reasonable scope for rehabilitation works and proves more cost effective in adaptive re-use than the current Rhode Island code.

The New Jersey Rehabilitation Subcode was developed by the New Jersey Department of Community affairs with guidance from a 30-member committee composed of code officials, fire officials, architects, historic preservationists, advocates for people with disabilities, and government representatives to improve the opportunities for creating more affordable housing and maximize the usage of current building inventories. Like Rhode Island, New Jersey has a comparable old housing stock. In 1998, the New Jersey Department of Community Affairs attributed 84% growth in investment in rehabilitation work in Jersey City and other major cities to the New Jersey Rehabilitation Subcode.

The current Rhode Island Rehabilitation Code requires rehabilitation work to meet standards similar those required for new construction if the renovation project exceeds certain thresholds. Adoption of the New Jersey Rehabilitation Subcode is a logical step to achieving optimum usage of limited open spaces and resources in Rhode Island.

LEAD HAZARD ABATEMENT PROGRAM

The Lead Hazard Reduction Program is the state funded program to reduce lead poisoning. In March of 1999, the HRC adopted Rules and Regulations applicable to the State Lead Hazard Reduction Program. The Commission contracted with Rhode Island Housing and Mortgage Finance Corporation to implement the program.

This program makes available funds to property owners whose houses have lead paint and, identified as health risks for occupancy. Funding is made available to reduce lead hazards for lead poisoned children, children with elevated blood level (EBL) and those units cited by the Department of Health for lead hazards. Also targeted are home-based daycare units and low-income children living in Section 8 subsidized units. Projects sponsored by non-profit organizations will also receive priority.

Beside direct support, this program also provides education and certification classes for lead abatement.

The Lead Hazard Abatement Program should continue to be funded into fiscal year 2001. There are an estimated 30,000 high-risk housing units in Rhode Island, which not only contain significant levels of lead, but are also in deteriorated condition. In March, there were 400 families on the Rhode Island Housing waiting list for funding. Information on the 1999 HRC program was mailed to these 400 families, to 900 Section 8 landlords and to all housing non-profit organizations within the state. The Department of Health notifies all families of lead poisoned children about the lead abatement program.

For fiscal year 1999, \$1.42 million has been committed to complete 140 units (representing 61 loans). For fiscal year 2000, \$1.7 million has been committed as of December 31, 1999. This represents forty-four loans to complete 96 units.

The Lead Program has conducted extensive outreach to families on the waiting list, to Section 8 landlords, and numerous nonprofit organizations. The Lead Program staff has worked closely with the Department of Health to contact families of children with Elevated Blood Levels (EBLs).

The Lead Institute has recruited 10 applicants for an eight-week certified lead worker-training program. The curriculum includes basic construction skills and the certification requirements to become state licensed lead workers. Contractors who participate in the HRC Lead Hazard Reduction program sponsor these individuals.

INCIDENCE OF LEAD POISONING

Because Rhode Island has an older housing stock, lead poisoning has been problematic throughout the state. High-elevated blood lead level counts were discovered in those children screened through the Department of Health, Childhood Lead Poisoning Prevention Program through their database called the KIDS NET registry. Risk factors as recorded by the Childhood Lead Poisoning Prevention Program have found in a 1998 test the prevalence of elevated lead among children tested is highest in racial and ethnic minorities: 36% Cambodian, 24% Black, 20% Native-American Indian, 15% Hispanic, and 8% White.

In this test, the City of Central Falls has the highest prevalence rate (20%) immediately followed by Providence (19%) Newport (13%), Pawtucket and Woonsocket (both 12%). The lowest prevalence rates were in Cumberland, Exeter and West Greenwich, all with 2%.

In a more recent test (Rhode Island KIDS COUNT Factbook, 1999) of children entering kindergarten in the fall of 1999 found the highest prevalence of lead in the following cities: Providence (33%) Newport (26%), Pawtucket (21%), Woonsocket (22%). The lowest prevalence rates for kindergarten-aged children were in Little Compton (4%), Smithfield (5%), and Cumberland (5%).

Rhode Island has some of the oldest housing in the country. More than half of 414, 000 housing units in Rhode Island are believed to have lead-based paint. Of the 29 census tracts with the highest proportion of old housing (where 75% of the units date from before 1950) 25 are in low-income neighborhoods.

Comparing the prevalence of elevated lead levels with the age of housing: In census tracts where the proportion of pre-1940 housing is low, the prevalence of elevated blood level ($10\mu\text{g}/\text{dl}$) is 3%. In census tracts where the proportion of pre-1940 housing is high, the prevalence of elevated blood lead level ($10\mu\text{g}/\text{dl}$) is 18%.

Overall, the state lead hazard reduction program is making a significant impact on improving the condition of residential real estate, throughout the state of Rhode Island. In addition, the program is helping to increase public awareness of the hazards of lead-based paint and how to eliminate it.

LEAD HAZARD REDUCTION LOAN FOR FY 1999

Census Tract Number:	City/Town	Number of Loans	Total Units	Total Dollars Committed:
001	Providence	6	8	\$ 130,689.00
002	Providence	3	7	96,305.00
003	Providence	1	3	36,000.00
006	Providence	1	3	36,000.00
014	Providence	2	4	61,515.00
015	Providence	2	2	60,000.00
016	Providence	2	9	84,000.00
018	Providence	3	6	76,400.00
019	Providence	1	1	14,000.00
020	Providence	1	1	12,101.00
021	Providence	1	3	52,203.00
022	Providence	2	4	51,750.00
024	Providence	1	1	26,400.00
025	Providence	2	6	76,750.00
028	Providence	1	3	36,000.00
031	Providence	1	1	14,000.00
108	Central Falls	1	2	26,400.00
109	Central Falls	1	3	36,000.00
111	Central Falls	1	3	36,000.00
115	Manville	1	2	26,400.00
121.02	North Providence	2	2	28,000.00
125	Johnston	1	1	14,000.00
129	Pascoag	1	3	36,000.00
131.01	Chepachet	1	2	18,789.00
134	Cranston	1	3	36,000.00
138	Cranston	1	1	14,000.00
158	Pawtucket	1	1	14,000.00
159	Pawtucket	1	1	14,000.00
161	Pawtucket	2	2	40,400.00
165	Pawtucket	1	1	14,000.00
167	Pawtucket	1	2	26,400.00
171	Pawtucket	1	3	31,458.00
203	West Warwick	1	4	40,000.00
206.01	Coventry	1	1	14,000.00
206.02	Coventry	1	1	14,000.00
209.01	East Greenwich	1	1	14,000.00
211	Warwick	1	1	11,865.00
404	Middletown	1	1	14,175.00
406	Newport	1	3	36,000.00
		55*	106	\$ 1,420,000.00
<ul style="list-style-type: none"> Originally 61 loan applications were accepted, however 6 applicants withdrew their applications. 				

HOUSING RESOURCES COMMISSION

COMMITTEE CHAIRPERSONS

OFFICE OF POLICY & PLANNING

CO-CHAIRS: BARBARA RAYNER DENNIS LANGLEY

OFFICE OF HOMEOWNERSHIP

CO-CHAIRS BARBARA FIELDS MARILYN WEEKES
 KARLIN

OFFICE OF PROGRAM PERFORMANCE AND EVALUATION

CO-CHAIRS: JOSEPH CAFFEY CARL TETZNER

OFFICE OF COMMUNITY DEVELOPMENT/TECHNICAL ASSISTANCE

CO-CHAIRS: FRED FERLAND KEVIN FLYNN

OFFICE OF HOMELESSNESS SERVICES AND EMERGENCY ASSISTANCE

CO-CHAIRS: DAVID MCCREADIE NOREEN SHAWCROSS